

**STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE
45 Fremont Street, 21st Floor
San Francisco, California 94105**

RH03026459

September 3, 2003

**INITIAL STATEMENT OF REASONS
Bingo Bus Classification**

PURPOSE OF THE REGULATION

Pursuant to California Insurance Code Section 11620 California Insurance Commissioner John Garamendi will hold a public hearing regarding the recommendation of the California Automobile Assigned Risk Plan (“CAARP”) to amend Rule 94 of the CAARP Manual to delete the “Bingo Bus” Classification and Primary Classification-Rating Factors Classification Designators for the bingo bus class.

NECESSITY OF REGULATION

Due to the misuse of producers the Advisory Committee has recommended the deletion of the “Bingo Bus” classification. The proposed amendment to the classification will not adversely affect insureds that legitimately use the classification, as this type of risk will fall within one of the other definition of buses.

California Insurance Code Sections 11620 and 11624, the Commissioner approves the rules and regulations governing the administration of the plan rates for those obtaining coverage through the assigned risk plan. Before amending the plan for CAARP, the Commissioner holds a public hearing.

IDENTIFICATION OF STUDIES

The application relies upon the expertise of CAARP’s Advisory Committee. Other than the application and accompanying explanatory memorandum and exhibits, however, no studies have been submitted for this proceeding.

SPECIFIC ACTIONS, PROCEDURES, TECHNOLOGIES OR EQUIPMENT

Adoption of the proposed changes would not mandate the use of specific technologies or equipment.

REASONABLE ALTERNATIVES

The Commissioner invites public comments on the proposed changes and reasonable alternatives which would be as effective to carry out the proposed changes.

ECONOMIC IMPACT ON BUSINESS

The Commissioner has initially determined that the proposed changes will not have a significant adverse economic impact on businesses. The Commissioner invites interested parties to comment on whether the proposed changes will have a significant adverse economic impact on business.